

# Fiscal Note

*Fiscal Services Division*



---

**SF 2285** – Workers' Compensation Benefit Calculation (LSB 5737SV)  
Analyst: Ron Robinson (Phone: 515-281-6256) ([ron.robinson@legis.state.ia.us](mailto:ron.robinson@legis.state.ia.us))  
Fiscal Note Version – New

---

## **Description**

**Senate File 2285** requires certain weekly workers' compensation benefits to be calculated by including an employee's overtime and premium pay.

This Bill also amends Iowa Code Section 85.36 to require the basis of compensation for weekly workers' compensation benefits payable for permanent total disability benefits or death benefits to increase on January 1 each year for compensation that becomes due that year, by a percentage equal to the cost-of-living adjustment made to disability benefits payable by the United States Social Security Administration in December of the immediately preceding year.

## **Assumptions**

- There is insufficient information to determine the fiscal impact without an actuarial study.
- The Department of Administrative Services has not budgeted for actuarial studies of proposed legislation.

## **Fiscal Impact**

The Department of Administrative Services and the Workers' Compensation Third-Party Administrator believe the legislation creates an increase in costs and administrative burden for all employers. However, an actuarial study would be necessary to determine the actual cost impact of this change. The Department indicates that such a study is not within the Department's budget. Therefore, the fiscal impact is undetermined at this time.

## **Sources**

Department of Administrative Services  
Iowa Division of Insurance  
Department of Workforce Development  
Board of Regents

/s/ Holly M. Lyons

March 1, 2010

---

The fiscal note for this bill was prepared pursuant to **Joint Rule 17**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

---